Government of Saskatchewan

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Weekly Cattle Market Update

For the Week Ending December 15, 2017

This is the final edition of the Cattle Market Update for 2017.
The report will resume on January 15, 2018. Happy Holidays everyone!

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
Dec. 15/2017	Average	**$262.13**	**$247.88**	**$226.60**	**$212.88**	**$200.00**	**$188.25**	**$181.20**
Dec. 15/2017	Range	**254-275**	**237-266**	**216-238**	**206-221**	**193-210**	**185-194**	**176-186**
week/week	Change	-$9.51	-$3.20	-$0.28	**$0.38**	-$3.42	-$2.00	**$2.03**
Dec. 8/2017	Average	**$271.64**	**$251.08**	**$226.88**	**$212.50**	**$203.42**	**$190.25**	**$179.17**
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Dec. 15/2017	Average	**$224.25**	**$207.50**	**$197.00**	**$190.75**	**$182.10**	**$178.50**	
Dec. 15/2017	Range	**213-242**	**198-224**	**187-209**	**183-200**	**173-188**	**172-185**	
week/week	Change	-$0.50	**$0.14**	**$2.37**	**$2.82**	-$0.84	**$0.19**	
Dec. 8/2017	Average	**$224.75**	**$207.36**	**$194.63**	**$187.93**	**$182.94**	**$178.31**	

Source: Canadian data is provide by CanFax and cannot be redistributed without Canfax consent (www.canfax.ca)
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

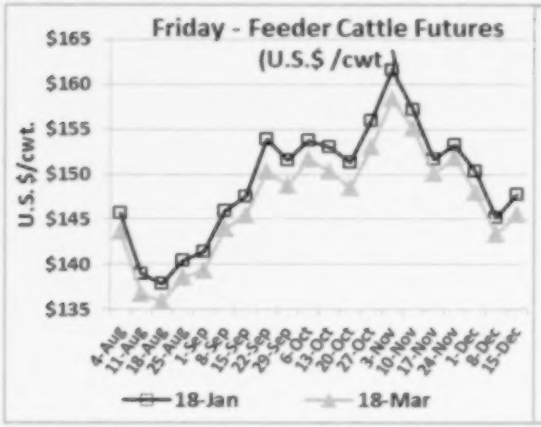
Canfax reported that a total of 12,313 head of cattle were sold in Saskatchewan this week, down from 20,386 head sold the previous week, and down from 18,216 head the same week a year ago.

Saskatchewan feeder steer prices were mixed over the week with price declines in most weight categories. Saskatchewan feeder steer prices ranged between $9.51 per cwt lower and $2.03 per cwt higher over the week. The largest price decline was in the 300-400 lb. feeder steer weight category; while the biggest price gain was in the 900+ lb. weight category. On average, feeder steer prices declined by over $2 per cwt over the week.

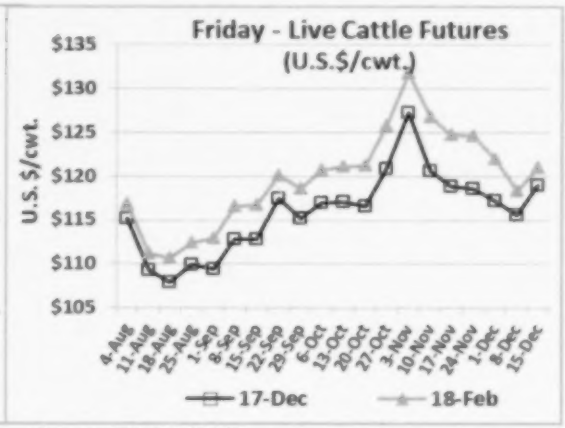
Saskatchewan feeder heifer prices were also mixed over the week but managed price gains in most weight categories. Prices over the week ranged between $0.84 per cwt lower and $2.82 per cwt higher. The largest price decline was in the 700-800 lb. weight category; while the biggest gain was in the 600-700 lb. weight category. Saskatchewan feeder cattle prices are provided by Canfax (#403-275-5110) or (www.canfax.ca) and cannot be redistributed without permission.

The Saskatchewan 750 lb. feeder steer basis compared to the Dec. 14, 2017, U.S. feeder cattle index at US$154.31 per cwt was calculated at (+$1.96) per cwt ($200.00 - US$154.31/0.7792, a basis weakening of $2.90 per cwt from the basis of (+$4.86) per cwt from the previous week.

Feeder cattle daily futures prices were mixed over the week with good gains on Tuesday and Friday to lead prices higher, week-over-week. The January feeder cattle contract increased US$2.525 per cwt to settle Friday at US$147.750 per cwt; while the March 2018 feeder cattle futures contract increased US$2.225 per cwt to settle Friday at US$145.550 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were mixed over the week with strong gains Tuesday and Friday to lead prices higher, week-over-week. The nearby December contract increased US$3.325 per cwt to settle Friday at US$118.900 per cwt; while the February contract increased US$2.725 per cwt to settle Friday at US$121.025 per cwt.

Iowa cash corn prices settled Friday at US$3.04 per bushel, down four cents from US$3.08 per bushel the previous Friday. Daily corn futures were primarily lower over the week with bigger losses on Monday to help push prices lower, weak-over-week. The December corn contract declined 3 ¾ cents to expire Thursday at US$3.36 ¼ per bushel. The March 2018 corn contract declined 5 ¼ cents to settle Friday at US$3.47 ½ per bushel.

Fed and Non-fed Cattle

	December 15, 2017	December 8, 2017	Week over Week
Steers (Alberta)			
Live	$154.26	$151.99	+$2.27
Rail	$254.00 to $263.50	$247.75 to $252.50	+$6.25 to +$11
Cows (Alberta)			
D1,2 Live	$89.30	$86.60	+$2.70
D3 Live	$79.60	$76.50	+$3.10
Rail	$170-175	$165-170	+$5.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were higher over the week. The price of D1,2 slaughter cows increased $2.70 per cwt to average $89.30 per cwt; while the price of D3 slaughter cows increased $3.10 per cwt to average $79.60 per cwt. Fed cattle prices for Alberta fed steers averaged $154.26 per cwt over the week, an increase of $2.27 per cwt from $151.91 per cwt the previous week. Western Canadian slaughter cattle prices are provided by Canfax and cannot be redistributed without their permission. www.canfax.ca)

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$119.71 per cwt, up US$2.25 per cwt from US$117.46 per cwt the previous week; and up 7.5 per cent from US$111.39 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$188.92 per cwt, up US$1.86 per cwt or 1.0 per cent from US$187.06 per cwt the previous week, and up 8.5 per cent from US$174.13 per cwt the same week a year ago.

Friday Price Information

Product		This Week (Dec. 15, 2017)	Week of: (Dec. 8, 2017)	Week of: (Dec. 16, 2016)
Canadian Dollar (closing rate US$)		.7792	.7776	.7494
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		154.31	154.40	131.10
Seven-day Weighted Average FC Index Wt. (lb.)		770	771	774
Live Fed 5-area Steer Price (US$ per cwt)		119.71	117.46	110.23
Feed Grains				
Barley	Lethbridge ($/tonne)	220.00	220.00	170.00
	($ per bu.)	4.79	4.79	3.70
Corn	Iowa State Average (CDN$/tonne)*	153.59	155.93	165.48
	(US$ per bu.)	3.04	3.08	3.15
	Omaha, NE (CDN$/tonne)*	162.69	163.02	171.78
	(US$ per bu.)	3.22	3.22	3.27
Futures				
	December Corn (US$ per bu.)*expiry	3.36 ¼	3.40	3.51 ¾
	March Corn (US$ per bu.)	3.47 ½	3.52 ¾	3.56 ¼
	December Live Cattle (US$ per cwt)	118.900	115.575	112.325
	February Live Cattle (US$ per cwt)	121.025	118.300	115.350
	January Feeder Cattle (US$ per cwt)	147.750	145.225	129.900
	March Feeder Cattle (US$ per cwt)	145.550	143.325	126.300

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate.

Beef production for the week was estimated at 524.7 million lb., down 0.3 per cent from 526.1 million lb. the previous week, but up 3.4 per cent from 507.3 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 630,000 head, down 0.9 per cent from 636,000 head the previous week, but up 3.8 per cent from 607,000 head the same week a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US$203.00 per cwt over the week, down US$3.87 per cwt from US$206.87 per cwt the previous week, but up 5.7 per cent from US$192.05 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

The December USDA WASDE report revised the 2017 United States Red Meat and Poultry production 0.3 per cent lower to 100.155 billion lb. from the November estimates. United States meat production for 2017 are estimated to be 2.6 per cent higher compared to 2016. Leading the way in meat production increases in 2017 (by percent) are projected to come from beef (+4.3%), pork (+2.5%) and broilers (+2.1%). Beef production estimates for 2017 were estimated at 26.305 billion lb. in December, down 0.36 per cent from the November estimates. Beef production estimates were reduced from the previous month on a slower than expected marketing pace for fed cattle and lighter carcass weights in the fourth quarter.

USDA December World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	Annual	24,252	22,843	38,550	5,756	92,171
2015	Annual	23,698	24,501	40,048	5,627	94,630
2016	Annual	25,221	24,941	40,695	5,981	97,612
% Chg.	2015-2016	6.43%	1.80%	1.62%	6.29%	3.15%
2017	Nov. Proj.	26,400	25,740	41,540	5,997	100,430
2017	Dec. Proj.	26,305	25,560	41,541	5,997	100,155
% Chg.	Nov. to Dec.	-0.36%	-0.70%	0.00%	0.00%	-0.27%
% Chg.	2016 to 2017	4.30%	2.48%	2.08%	0.27%	2.61%

Source: USDA December WASDE Report, December 12, 2017

U.S. Red Meat and Poultry production for 2018 is expected to further increase from the current 2017 projections by an estimated 3.4 billion lb. (+3 per cent) to reach 103.6 billion lb. of meat production. Pork production is projected to lead the way in 2018 with increases of 5.3 per cent, followed by beef (+4.9 per cent), and broilers (+1.8 per cent). (Source: USDA WASDE)

United States current corn crop projections for December were unchanged from the November estimates at 14.578 billion bushels. The big change from the November reports were that domestic corn usage increased by 50 million bushels reducing ending corn stocks by 2.0 per cent to 2.437 billion bushels; from the November estimates.

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